

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 92-127-C - ORDER NO. 92-659 ✓
AUGUST 19, 1992

IN RE: Application of Amerishare Communications,) ORDER
Inc. for a Certificate of Public Convenience) GRANTING
and Necessity to Resell Intrastate InterLATA) CERTIFICATE
Telecommunications Service in the State of)
South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Amerishare Communications, Inc. (Amerishare or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Amerishare's Application was filed pursuant to S.C. Code Ann. §58-9-280 (1976) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed the Company to publish a prepared Notice of Filing and Hearing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing and Hearing was to inform interested parties of the Company's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. A Petition to Intervene was filed by the Consumer

Advocate for the State of South Carolina (the Consumer Advocate). Southern Bell Telephone & Telegraph Company (Southern Bell) filed a Petition to Intervene Out of Time, which was granted by our Order No. 92-360.

A hearing was commenced on July 21, 1992, at 11:00 a.m. in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. James Freeman, Esquire, represented Amerishare. Elliott F. Elam, Jr., Esquire, represented the Consumer Advocate. Caroline N. Watson, Esquire, represented Southern Bell; and Gayle B. Nichols, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing, Southern Bell announced that it had entered into a stipulation with Amerishare. The terms of said Stipulation are as follows:

- (1) Any grant of authority should clearly be for interLATA services only.
- (2) If any intraLATA calls are inadvertently completed by the carrier, the carrier should reimburse the LEC pursuant to the Commission's Order in PSC Docket No. 86-187-C.
- (3) No authority for operator service is being requested by the Applicant.
- (4) Nothing in 1, 2, or 3 above shall prohibit Amerishare Communications, Inc. from offering any services authorized for resale by tariffs of facility based carriers approved by the Commission.

After introducing the Stipulation into evidence as Hearing Exhibit 1, Southern Bell withdrew its participation in the case.

FINDINGS OF FACT

1. Amerishare is a corporation incorporated in the State of Florida and is authorized to do business as a foreign corporation in South Carolina. Amerishare is a switchless reseller which provides interstate, interexchange long distance telephone service. It offers intrastate interexchange telecommunications services on a resold basis by obtaining volume discounted services from facility-based carriers. Amerishare seeks a Certificate of Public Convenience and Necessity to operate as a reseller of interexchange services on an interLATA basis within the State of South Carolina. Application.

2. Amerishare presented the testimony of Cheryl Burke, Senior Vice President of the Company. Ms. Burke testified that Amerishare's underlying carrier is AT&T. Ms. Burke explained that the Company did not intend to carry intraLATA traffic. She testified that Amerishare will provide 1+ services to its end-users. The Company markets its services to small and medium sized businesses.

3. Ms. Burke testified that Amerishare does not intend to offer operator services.

4. Ms. Burke testified that Amerishare would provide South Carolina consumers with a competitive long distance price and a wide variety of services.

5. Amerishare agreed to abide by all Commission regulations and orders regarding its rates and service.

CONCLUSIONS OF LAW

1. The Commission concludes that Amerishare has the experience, capability, and financial resources to provide the service described in its Application and by Ms. Burke's testimony.

2. The Commission concludes that South Carolina telephone users and the State itself will benefit by the services intended to be provided by Amerishare. Accordingly, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Amerishare to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs approved by the Commission.

3. All intrastate intraLATA calls must be completed over intraLATA WATS, MTS, private and foreign exchange lines or any other service of facility based carriers approved for resale on an intraLATA basis. Any intraLATA calls not completed in this manner would be considered unauthorized traffic and the Company will be required to compensate the local exchange companies for the unauthorized calls it carries pursuant to Commission Order No. 86-793 in Docket No. 86-187-C.

4. The Commission adopts a rate design for Amerishare for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re:

Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts Amerishare's proposed maximum rate tariffs.

5. Amerishare shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Amerishare shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Amerishare subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1991).

6. Amerishare shall file its tariff and an accompanying price list in a loose leaf binder to reflect the Commission's findings within thirty (30) days of the date of this Order. Amerishare's provisions regarding advance payments and deposits if any, shall comply with 26 S.C. Regs. 103-621 (Supp. 1991).

7. Amerishare is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to Amerishare resale of services, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

9. Amerishare shall resell the services of only those

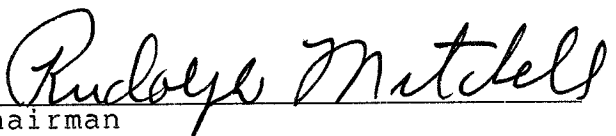
interexchange carriers or LEC's authorized to do business in South Carolina by this Commission. If Amerishare changes underlying carriers, it shall notify the Commission in writing.

10. Amerishare shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

11. That the Stipulation between Southern Bell and Amerishare is reasonable and is hereby approved.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


VICE Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).